

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

GREEN RIVER ELECTRIC CORPORATION)	
NOTICE OF INCREASE IN RATES FOR)	CASE NO. 10275
RETAIL ELECTRIC SERVICE)	

O R D E R

IT IS ORDERED that Green River Electric Corporation ("Green River") shall file an original and 12 copies of the following information with this Commission, with a copy to all parties of record. Each copy of the data requested should be placed in a bound volume with each item tabbed. When a number of sheets are required for an item, each sheet should be appropriately indexed, for example, Item 1(a), Sheet 2 of 6. Include with each response the name of the witness who will be responsible for responding to questions relating to the information provided. Careful attention should be given to copied material to insure that it is legible. Where information requested herein has been provided along with the original application, in the format requested herein, reference may be made to the specific location of said information in responding to this information request. When applicable, the information requested herein should be provided for total company operations and jurisdictional operations, separately. The information requested herein is due no later than July 25, 1988. If the information cannot be provided by this date, you should submit a motion for an extension of time stating the reason a delay is

necessary and include a date by which it will be furnished. Such motion will be considered by the Commission.

Information Request No. 1

1. Provide the detailed workpapers, showing calculations supporting all accounting, pro forma, end-of-period, and proposed rate adjustments, in the rate application to revenue, expense, investment, and reserve accounts for the test year, and a complete detailed narrative explanation of each adjustment including the reason why each adjustment is required. Explain in detail all components used in each calculation including the methodology employed and all assumptions applied in the derivation of each adjustment. Index each calculation to the accounting, pro forma, end-of-period, and proposed rate adjustment which it supports.

2. Provide an analysis of Account 930, Miscellaneous General Expenses, for the test period. This should include a complete breakdown of this account as shown in attached Format 1, and also provide all detailed workpapers supporting this analysis. At minimum, the workpapers should show the date, vendor, reference (i.e., voucher no., etc.), dollar amount, and a brief description of each expenditure. Detailed analysis is not required for amounts of less than \$100 provided the items are grouped by classes as shown in Format 1 attached.

3. Provide a detailed analysis of contributions for charitable and political purposes (in cash or services). This analysis should indicate the amount of the expenditure, the recipient of the contribution, and the specific account charged.

4. Provide a copy of the auditor's report from your most recent audit.

5. Provide a detailed analysis of advertising expenditures during the test period. This analysis should include a breakdown of Account No. 913, Advertising Expenses, as shown in Format 2 attached, and should also show any advertising expenditures included in other expense accounts. This analysis should be specific as to the purpose and expected benefit of each expenditure.

6. Provide a copy of the most recent publication of the Borrower Statistical Profile for the utility published by the Rural Electrification Administration ("REA"). Include a detailed narrative explanation of any action taken by the utility's management, its Board of Directors or REA, based on the results of this data.

7. Provide a schedule of salaries and wages for the test year and each of the 5 calendar years preceding the test year as shown in Format 3, attached. For each time period, provide the amount of overtime pay.

8. Provide a copy of the current by-laws.

9. Provide the utility's rate of return on net investment rate base for the test year and 5 preceding calendar years. Include data used to calculate each return.

10. Provide in comparative form, an income statement, a statement of changes in financial position, and a balance sheet for the test year and the 12-month period immediately preceding the test year.

11. Provide a detailed analysis of expenses incurred during the test year for professional services, as shown in attached Format 4, and all detailed workpapers supporting the analysis. At minimum, the workpapers should show the payee, dollar amount, reference (i.e., voucher no., etc.) account charged, hourly rates and time charged to the utility according to each invoice, and a brief description of the service provided. Identify all rate case work by case number.

12. Provide the utility's times interest earned ratio and debt service coverage ratio, as calculated by the REA, for the test year and the 5 preceding calendar years. Include the data used to calculate each ratio.

13. Provide schedules, in comparative form, showing for the test year and the year preceding the test year, the ending balance in each electric plant and reserve account or subaccount included in the utility's chart of accounts.

14. Provide a copy of Kentucky's Electric Cooperatives Operating Expense and Statistical Comparisons for the most recent 2 years available.

15. Provide the date and time of the most recent annual members' meeting. Provide the number of members in attendance, the number of members voting for new board members, the number of new board members elected, and general description of the meeting's activities.

16. Provide a schedule, showing a comparison of balances in each operating expense account, for each month of the test year to

the same month of the preceding year for each account or sub-account included in the utility's chart of accounts. See Format 5.

17. Provide the estimated dates for draw downs of unadvanced loan funds at test-year-end and the proposed uses of these funds.

18. Provide the following where not previously included in the record.

a. A schedule of the present and proposed rates, charges, terms and conditions, and service rates and regulations which the utility seeks to change, shown in comparative form.

b. A detailed analysis of customers' bills, adjusted to actual usage and in such detail that the revenues from the present and proposed rates can be readily determined.

c. A schedule of test year revenues for each rate schedule per book rates, present rates annualized, and proposed rates annualized.

d. A schedule setting forth the effect upon average consumer bills.

e. A statement setting forth estimates of the effect that the new rate or rates will have upon the revenues of the utility, the total amount of money resulting from the increase or decrease, and the percentage increase or decrease.

f. A schedule showing by customer class (i.e., residential, commercial, industrial, etc.) the amount and percent of any proposed increase or decrease in revenue distributed to each class. This schedule is to be accompanied by a statement which explains, in detail, the methodology or basis used to allocate the

requested increase or decrease in revenue to each of the respective customer classes.

g. A schedule showing how the increase or decrease in (f) above was further distributed to each rate charge (i.e., customer or facility charge, KWH charge, etc.). This schedule is to be accompanied by a statement which explains, in detail, the methodology or basis used to allocate the increase or decrease.

h. A statement showing, by cross-outs and italicized inserts, all proposed changes in rates, charges, terms and conditions, and service rules and regulations for each rate or charge. A copy of current tariff may be used.

19. Provide the name and address of each member of the utility's Board of Directors, along with his or her personal mailing address. If, during the course of these proceedings, any changes occur in board membership, provide an update to this request.

20. Provide a detailed analysis of the total compensation paid to each member of the board of directors during the test period including all fees, fringe benefits, and expenses, with a description of the type of meetings, seminars, etc., attended by each member.

21. Provide a detailed analysis of all benefits provided to the utility's employees, including the itemized cost of each benefit and the average annual cost of benefits per employee. If readily available, provide this data by employee classification as shown in Format 3.

22. Provide an itemized listing of the costs incurred to date for the preparation of this case, and an itemized estimate of the total cost to be incurred for this case. Indicate any costs incurred for this case that occurred during the test year.

23. Does Green River follow the depreciation rates and procedures as described in REA Bulletin 183-1?

24. Provide information for plotting the depreciation guideline curves in accordance with REA Bulletin 183-1. Furnish the data in the format shown on the attached data sheet No. 1.

25. Does Green River propose any changes in depreciation rates?

26. Furnish a list of depreciation expenses in the format shown on the attached data sheet No. 2.

Done at Frankfort, Kentucky, this 13th day of July, 1988.

PUBLIC SERVICE COMMISSION


For the Commission

ATTEST:

Executive Director

GREEN RIVER ELECTRIC CORPORATION

Case No. 10275

ACCOUNT 930 - MISCELLANEOUS EXPENSES

For the 12 Months Ended December 31, 1987

<u>Line</u> <u>No.</u>	<u>Item</u> <u>(a)</u>	<u>Amount</u> <u>(b)</u>
1.	Industry Association Dues	
2.	Institutional Advertising	
3.	Conservation Advertising	
4.	Rate Department Load Studies	
5.	Water, and Other Testing and Research	
6.	Directors' Fees and Expenses	
7.	Dues and Subscriptions	
8.	Miscellaneous	
9.	Total	

GREEN RIVER ELECTRIC CORPORATION

Case No. 10275

ACCOUNT 913 - ADVERTISING EXPENSE

For the 12 Months Ended December 31, 1987

(Total Company)

<u>Line</u> <u>No.</u>	<u>Item</u>	<u>Sales or</u> <u>Promotional</u> <u>Advertising</u>	<u>Institutional</u> <u>Advertising</u>	<u>Conservation</u> <u>Advertising</u>	<u>Rate</u> <u>Case</u>	<u>Other</u>	<u>Total</u>
	(a)	(b)	(c)	(d)	(e)	(f)	(g)
1.	Newspaper						
2.	Magazines and Other						
3.	Television						
4.	Radio						
5.	Direct Mail						
6.	Sales Aids						
7.	Total						
8.	Amount Assigned to Ky. Retail						

1. Wages charged to expense:
2. Power production expense
3. Transmission expenses
4. Distribution expenses
5. Customer accounts expense
6. Sales expenses
7. Administrative and general expenses:
 - (a) Administrative and general salaries
 - (b) Office supplies and expense
 - (c) Administrative expense transferred-cr.
 - (d) Outside services employed
 - (e) Property insurance
 - (f) Injuries and damages

Case No. 10275

ANALYSIS OF SALARIES AND WAGES

**For the Calendar Years 1982 Through 1986
And the 12-Month Period Ending December 31, 1987**

(000's)

[illegible]

GREEN RIVER ELECTRIC CORPORATION

Case No. 10275

ANALYSIS OF SALARIES AND WAGES

For the Calendar Years 1982 Through 1986
And the 12-Month Period Ending December 31, 1987

(000's)

Line No.	Item (a)	12 Months Ended										Test Year		
		Calendar years Prior to Test Year								Amount \$ (l)	Amount \$ (m)			
		5th		4th		3rd		2nd					1st	
		Amount \$ (b)	% (c)	Amount \$ (d)	% (e)	Amount \$ (f)	% (g)	Amount \$ (h)	% (i)				Amount \$ (j)	% (k)

12. Ratio of salaries and wages charged
expense to total wages (L9 ÷ L11)

13. Ratio of salaries and wages
capitalized to total wages (L10 ÷ L11)

NOTE: Show percent increase of each year over the prior year in columns (c), (e), (g), (i), (k), and (m).

GREEN RIVER ELECTRIC CORPORATION

Case No. 10275

Professional Service Expenses

For the 12 Months Ended December 31, 1987

<u>Line</u> <u>No.</u>	<u>Item</u>	<u>Rate Case</u>	<u>Annual Audit</u>	<u>Other</u>	<u>Total</u>
1.	Legal				
2.	Engineering				
3.	Accounting				
4.	Other				
5.	Total				

Case No. 10275

**COMPARISON OF TEST YEAR ACCOUNT BALANCES
WITH THOSE OF THE PRECEDING YEAR**

[illegible]

Utility: GREEN RIVER BC
Case Number: 10275
Date:

DATA FOR
DEPRECIATION GUIDELINE CURVE
PBA BULLETIN 183-1

Test Year Ended December 31, 1987	Distribution Plant in Service (1)	Accumulated Provision for Depreciation Distribution Plant (2)	Reserve Ratio (3) = (2) ÷ (1)	Ratio of Current Distribution Plant to Distribution Plant Ten Years Prior
1986				1986
1985				1985
1984				1984
1983				1983
1982				1982
1981				
1980				
1979				
1978				
1977				

(PSC Data Sheet No. 1)

Utility: GREEN RIVER BC
Case Number: 10275
Date:

DECEMBER 31, 1987
(End of Test Year)
Plant Account
Balance

Account
No.

Item

TRANSMISSION PLANT

350000 Land & Land Rights
355000 Poles & Fixtures
356000 O/H Conduct. & Devices

Depreciation
Rate

Annual
Depreciation

DISTRIBUTION PLANT

360000 Land & Land Rights
362000 Station Equipment
364000 Poles, Towers, Fixtures
365000 O/H Conduct. & Devices
366000 Underground Conduit
367000 U/G Conduct. & Devices
368000 Line Transformers
369000 Services
370000 Meters
371000 Install. on Cust. Premises
372000 Leased Prop. on Cust. Prem.
373000 St. Light & Sign Systems

GENERAL PLANT

389000 Land & Land Rights
390000 Structures & Improvements
391000 Office Furn. & Equipment
391100 IBM 5251 Display Stations
392000 Transportation Equip.
393000 Stores Equipment
394000 Tools, Shop, Garage Equip.
395000 Laboratory Equipment
396000 Power Operated Equipment
397000 Communications Equipment
398000 Miscellaneous Equipment